# Medicare Articles, from the Left, Right and Center

- USA Today, "Medicare's creators see progress lost, 'Reform' will undo victory they won in 1965, many say"
- Wall Street Journal editorial, "The Price of 'Governance," their third editorial in a week on this topic
  - ABC's "This Week" transcript with Senator McCain

# **USA Today**

# Medicare's creators see progress lost

# 'Reform' will undo victory they won in 1965, many say

By Andrea Stone USA TODAY 11/24/03

WASHINGTON -- They were present at the creation.

But for many who helped shape Medicare 38 years ago, the legislation passed by the House of Representatives Saturday and now pending in the Senate threatens to dismantle the social insurance program for 40 million Americans.

The proposed changes to Medicare, including cost controls and private competition, are "gut-wrenching. It falls just short of making me sick," says Theodore Marmor, 64, a public policy professor at Yale University's School of Management and author of *The Politics of Medicare*. He began his career in the former federal Department of Health, Education and Welfare. "This is not Medicare reform. It is Medicare rearrangement and destruction"

Interviews with policy experts from the administrations of Presidents Kennedy and Johnson, as well as legislators involved in creating Medicare, reveal suspicions about the changes being considered. To them, the rhetoric in Congress sounds familiar.

Marmor recalls "a clear ideological fight" in the 1960s over Medicare. In his book, he writes of a struggle pitting "private enterprise and local control against 'the octopus of the federal government.'

"They called me a socialist and a communist for supporting a bill to provide health insurance for the elderly," says Philip Lee, a Palo Alto, Calif., doctor who broke ranks in the early 1960s with the powerful American Medical Association and argued for the program.

### Nixon rejected the idea

Lee, 79, chaired a late-1960s task force that recommended adding drug coverage to Medicare. The idea was rejected by President Nixon, who thought his proposal for national health insurance went far enough. That plan stalled in Congress.

Lee says the current drug-benefit proposal is too loaded with provisions unrelated to drug coverage, such as tax-free health savings accounts. The bill treats health care "as a market good, not as a public good. It's like refrigerators or shoes or pencils," says Lee, now senior advisor to the Institute for Health Policy Studies at the University of California-San Francisco.

But Joseph Califano, who was President Johnson's chief domestic adviser at the time, says the creators of Medicare also "had to give in to the doctors" and other special interests to get enough votes in Congress. He isn't surprised compromises are being made.

"You're never going to pass major health care coverage in the real world without giving in to these forces," says Califano, 73, now a health policy professor at Columbia University. "I'd take the drug benefit and run with it, and then fight to change the law."

By the mid-1960s, the idea of government-sponsored health care for the elderly had been talked about for decades. But a coalition of conservative Republicans and Southern Democrats in Congress and their allies in the AMA, hospital groups, the insurance industry and the business community had blocked action. It was only Johnson's landslide victory over Barry Goldwater in 1964 that sent a mandate to Congress to implement his Great Society social programs. Medicare, part of the Social Security system, was among the most ambitious.

## 'Attempt to kill Medicare'

Rep. John Dingell, D-Mich., was present in Independence, Mo., on July 30, 1965, when Johnson signed the Medicare law and enrolled Harry Truman as its first beneficiary. Dingell's father, John Dingell Sr., was a co-sponsor in 1943 of Truman's bill to add health insurance to Social Security.

The new bill "is a thinly disguised attempt to kill Medicare as we know it," says Dingell, 77. "The same people who are trying to destroy Medicare today were doing the same thing then. It's taken them better than 35 years to get in position to do it."

Robert Ball was commissioner of Social Security when Medicare was created and helped shape the bill that passed Congress. He sees a similar political alignment on the issue now as then: doctors and businesses on one side, labor and most senior citizens organizations on the other. The AARP, a 35-million-member organization that endorsed the bill last week, was a small group in the 1960s. Ball worries the new bill will weaken Medicare. While it may help some low-income seniors, "for the ordinary person . . . the changes are not as good as what is in place," he says.

As the Social Security Administration's chief actuary in 1965, Robert Myers helped estimate the cost of Medicare. He also recalls how political pressure from the AMA and drug companies killed the idea of including prescription-drug coverage in the original bill. Myers, now 91, doubts the \$400 billion allotted over 10 years in the new bill will be enough.

"It won't pay for a real drug benefit. It's just a gesture," he says. "People will be disappointed."

#### The Wall Street Journal

### Editorial

#### The Price of 'Governance'

### **November 24, 2003**

What was supposed to be an end-of-session triumph for the Republican Congress is turning into something of an embarrassment, if not a crackup. This tends to happen when a political party attempts to pass legislation inconsistent with what it claims are its limited-government principles.

On Friday the Senate GOP came up two votes short of breaking a filibuster on the energy bill, notwithstanding months of plotting to buy enough votes with some \$95 billion in tax breaks and pork-barrel spending. It was all too much for six Republicans to digest, and their defection doomed the bill. Majority Leader Bill Frist promises another vote before the Senate leaves town, but this is one defeat that few beyond the Beltway will mourn.

Nearly as humiliating was the House GOP's death-defying passage of the Medicare prescription drug entitlement. The roll-call vote, usually 20 minutes tops, ended up as one of the longest in House history -- starting at 3 a.m. and ending shortly before 6. President Bush was rousted out of bed to lobby reluctant conservatives who said they didn't come to Washington to pass the largest entitlement expansion since the 1960s.

Twenty-five Republicans still voted no, to their credit. But C.L. Otter of Idaho and Trent Franks of Arkansas were finally persuaded to change their minds and so the bill carried. To persuade them, the GOP leadership resorted to the old bullying ploy that if this effort failed, the next would include even less Medicare reform. That would be hard to do considering how little reform this one contains, but perhaps Messrs. Otter and Franks haven't been around long enough to know they've been had.

The sophisticated Republican defense is that this is the price of "governance," that a majority party has to respond to voter concerns. Yes it does, but Mr. Bush promised in 2000 and in 2002 that any Medicare expansion would include a genuine reform along free-market lines. The President instead signaled this year that he would sign just about anything Congress gave him, and the Members obliged.

The Senate may vote as early as today, and Ted Kennedy and friends are threatening filibuster. We can only hope they'll do so, but they probably know they're better off letting this entitlement pass and trying to add to it later. It's all enough to make us long for the Washington gridlock of the 1990s.

Transcript of "This Week," with Sens. McCain and Kennedy 11/23/03

STEPHANOPOULOS: HERE IN WASHINGTON THE U.S. SENATE WILL MEET IN A RARE SUNDAY SESSION TO DEBATE THE MEDICARE PRESCRIPTION DRUG BILL. THAT BRINGS US TO OUR FIRST GUEST, SENATOR EDWARD

KENNEDY, WHO PROMISED TO FILIBUSTER THE LEGISLATION AND SENATOR JOHN McCAIN, TODAY'S HEADLINERS.

CLIP: THIS LEGISLATION IS VERY TIMELY BECAUSE IF WE PASS IT, THANKSGIVING WILL COME EARLY FOR THE WASHINGTON SPECIAL INTERESTS. THE AMERICAN PUBLIC WILL BE PRESENTED WITH AN ENORMOUS TURKEY STUFFED WITH THEIR TAX DOLLARS.

CLIP: MAKE NO MISTAKE ABOUT IT, IT'S INCREDIBLY BENEFICIAL TO THE HMOs, INCREDIBLY PROFITABLE TO THE DRUG COMPANIES AND A RAW DEAL FOR THE SENIORS IN THIS COUNTRY.

**STEPHANOPOULOS:** AND SENATOR KENNEDY AND SENATOR McCAIN JOIN US NOW. GOOD MORNING.

SENATOR KENNEDY, YOU VOWED TO FILIBUSTER THIS MEDICARE LEGISLATION AND LAST NIGHT SENATOR BILL FRIST TOOK TO THE SENATE FLOOR TO IMPLORE YOU NOT TO. I WANT TO SHOW YOU THAT AND GET YOU TO RESPOND TO IT.

CLIP: I WOULD IMPLORE THE SENIOR SENATOR FROM MASSACHUSETTS TO LISTEN TO HIS OWN WORDS OF NOVEMBER 5th WHEN HE SAID SENIOR CITIZENS WANT HELP AND WANT IT NOW. THEY DON'T WANT A PARTISAN DEADLOCK AND I THINK HE WAS RIGHT THEN AND I BELIEVE HE IS WRONG NOW.

KENNEDY: RIGHT THEN, WRONG NOW. WELL, FIRST OF ALL, WE PASSED A GOOD PRESCRIPTION DRUG BILL. BEYOND THIS, MEDICARE WORKS. ALL OUR SENIOR CITIZENS UNDERSTAND IT. THEY BELIEVE IN IT AND THEY TRUST IN IT. THE FAILURE IN 1965 WHEN WE PASSED MEDICARE THAT PROVIDED THE DOCTOR'S FEES AND HOSPITALS THAT WE DIDN'T INCLUDE A PRESCRIPTION DRUG PROGRAM, THAT IS WHAT IS NECESSARY. THAT IS WHAT WE NEED NOW. THAT IS WHAT PASSED THE UNITED STATES SENATE 76-0. WHAT IS NOW COMING BEFORE THE SENATE NOW IS BASICALLY HIJACKING THE MEDICARE PROGRAM. THEY WANT TO REPLACE IT. THEY WANT TO UNDERMINE IT AND THEY WANT TO PRIVATIZE IT. WE WORKED TOO LONG TO PUT THE MEDICARE PROGRAM INTO PLACE AND WE'RE NOT GOING TO JUST LET THE SPECIAL INTERESTS RIDE OVER THIS.

STEPHANOPOULOS: LET ME STOP YOU THERE. SENATOR MAX BAUCUS, A DEMOCRAT, SAID DEMOCRATS GOT 75% OF WHAT THEY WANTED. WHEN YOU TALK ABOUT PRIVATIZATION, I ASSUME YOU'RE TALKING ABOUT THIS PREMIUM SUPPORT PLAN WHICH IS -- DOESN'T START UNTIL 2010, LIMITED TO SIX YEARS, LIMITED TO SIX METROPOLITAN AREAS. HOW

#### WILL THAT DESTROY MEDICARE?

KENNEDY: THE FACT IS THE HOUSE OF REPRESENTATIVES JUST PASSED A PROGRAM THAT DIDN'T REALLY DEAL WITH THE PRESCRIPTION DRUGS BUT THAT CHANGED MEDICARE. MEDICARE WORKS NOW. ALL WE NEED TO DO IS ADD THE PRESCRIPTION DRUG PROGRAM TO IT. WHY DO WE HAVE TO FIND OUT ABOUT PREMIUM SUPPORT? ALL WE KNOW ON THAT IS IF WE PAY THE DRUG COMPANIES AND THE HMOs MORE, THEY WILL PROVIDE HEALTH INSURANCE AND LEAVE THE SICKEST AND THE MOST ELDERLY PEOPLE IN THE MEDICARE SYSTEM. IT'S CHERRY PICKING. EVERYONE UNDERSTANDS -- LET ME SAY, PRIVATE INSURANCE COMPANIES NEVER DEALT WITH THE PROBLEMS OF OUR ELDERLY PRIOR TO THE TIME WE PASSED MEDICARE. WE PASSED IT TO HELP OUR SENIORS. NOW THE REPUBLICANS WANT TO GIVE THE INSURANCE INDUSTRY THE SENIORS BACK SO THEY CAN HAVE THE HEALTHIEST SENIOR CITIZENS AND DUMP THE SICKEST INTO MEDICARE, WHICH IS GOING TO BE SKYROCKETING PREMIUMS AND ULTIMATELY THE BREAKDOWN. MAKE NO MISTAKE ABOUT IT, THE PEOPLE THAT ARE SUPPORTING THIS PREMIUM SUPPORT OF THE REPUBLICAN PROGRAM BY AND LARGE ARE AGAINST MEDICARE. THAT'S WHAT THE BOTTOM LINE IS.

**STEPHANOPOULOS:** SOUNDS LIKE YOU'RE DETERMINED TO GO THROUGH WITH THE FILIBUSTER. WILL YOU JOIN THE FILIBUSTER?

MCCAIN: I WILL JOIN IT, BUT

STEPHANOPOLUS: YOU WILL?

MCCAIN: I COME FROM A DFENT EXACT OPPOSITE POINT FROM TED. HE WANTS TO MAKE IT BIGGER. I WANT TO MAKE IT BETTER. IN THE NEXT 75 YEARS SOCIAL SECURITY AND MEDICARE HAVE AN \$18 TRILLION UNFUNDED MANDATE. THIS NEW ENTITLEMENT PROGRAM LATCHED TO ONE THAT IS GOING TO FAIL, IS GOING TO GO BANKRUPT. NO EXPERT WILL TELL YOU IT WILL GO BANKRUPT UNDER ITS PRESENT SYSTEM AND WILL ADD ANOTHER \$8 TRILLION ON OUR KIDS. YEARS FROM NOW TED WILL PROBABLY STILL BE AROUND BUT I WON'T. MANY FEAR THAT, BUT, IN FACT, IT SEEMS LIKE HE'S ALREADY BEEN AROUND FOR 75 YEARS.

STEPHANOPOULOS: WHAT'S GOTTEN INTO YOU THIS MORNING?

MCCAIN: THE FACT IS, I APPRECIATE TED'S SPIRITED DEFENSE IN WHAT HE BELIEVES IN, AND I CERTAINLY UNDERSTAND THE VIEWPOINT BUT MY VIEWPOINT IS HERE WE ARE A NATION WITH A HALF A TRILLION DOLLAR DEFICIT COMING UP, GROWTH OF GOVERNMENT 12.5% LAST YEAR.

#### WHAT'S EVER HAPPENED TO MY PARTY'S FISCAL DISCIPLINE?

**STEPHANOPOULOS:** I WANT TO ASK YOU THAT EXACT QUESTION. TOM DeLAY, THE MAJORITY LEADER IN THE HOUSE, FELLOW SENATOR JON KYL, BOTH SIGNED ON TO THIS BILL.

MCCAIN: I DON'T KNOW. I DON'T KNOW WHY WE CONTINUE TO WANT TO SUPPORT AN ENERGY BILL THAT WAS 25 --A \$25 BILLION TAX BREAK FOR SPECIAL INTERESTS. WASN'T A POLICY CHANGE. IT WAS JUST - MY COLLEAGUES GET ANNOYED AT ME FOR COMPLAINING ABOUT PORK BARREL PROJECTS. THIS WAS ALMOST ENTIRELY A HUGE PORK BARREL PROJECT, JUST LAYER UPON LAYER IN ORDER TO BUY VOTES BUT I THINK THAT WE -- SOMEHOW WE AS REPUBLICANS, THE PARTY THAT WENT FOR THE BALANCE -- SUPPORT OF THE BALANCED BUDGET AMENDMENT TO THE CONSTITUTION, AND REMEMBER THE OLD LOCKBOX. SOMEHOW WE'VE LOST OUR WAY AND WE ARE LAYING A TERRIBLE BURDEN ON THE NEXT GENERATION OF AMERICANS.

STEPHANOPOULOS: SENATOR KENNEDY, SOME ARGUE IT IS GREAT POLITICS, THIS WILL GIVE PRESIDENT BUSH GOING INTO NEXT YEAR A PRESCRIPTION DRUG BENEFIT BECAUSE IT LOOKS LIKE YOUR FILIBUSTER IS LIKELY TO FAIL AND THIS WILL MAKE HIM BULLETPROOF IN NEXT YEAR'S ELECTION.

**KENNEDY**: I INDICATED WE WOULDN'T HAVE ANY ATTEMPT AT FILIBUSTER IF THEY GAVE A FAIR VOTE TO THE HOUSE OF REPRESENTATIVES. IN THE HOUSE OF REPRESENTATIVES WITH THIS PROGRAM THAT WAS SUPPOSED TO BE SO GOOD. WHY DID THEY HAVE TO EFFECTIVELY ABUSE THE RULES? WHY DID THEY HAVE TO COERCE THEIR MEMBERS? WHY DID THEY HAVE TO USE ALL THE -- ALL THE GYMNASTICS WITH THE HOUSE RULES IN ORDER TO HAVE A VERY NARROW VICTORY? THIS WAS FLORIDA ALL OVER AGAIN. REPUBLICANS PLAYED FAST AND LOOSE WITH THE VOTES IN FLORIDA. THEY DID WITH THE HOUSE OF REPRESENTATIVES AND IF THIS IS SUCH A WONDERFUL, WONDERFUL PROGRAM, WHY NOT HAVE THE FREE AND OPEN DEBATE? WE TOOK FIVE YEARS TO GET THE MEDICARE PROGRAM. WHY ARE WE DEBATING THIS SATURDAY AND SUNDAY AND INSISTING ON MONDAY WE HAVE FINAL ACTION? ARM TWISTING HAPPENS ALL THE TIME AND WITH THE REPUBLICANS, WE'LL SAY, YES, THEY DID LEAVE THE VOTE OPEN FOR THREE HOURS BUT ALL THE HOUSE RULES SAY IS YOU HAVE TO HAVE A MINIMUM OF 15 MINUTES TO VOTE. THE FACT -- THEY REFUSED RECOGNIZE INDIVIDUALS THAT WANTED TO SWITCH THEIR VOTES ON THIS. I MEAN. THAT WAS UNDERSTOOD BY THE PEOPLE ON THE FLOOR. WHY NOT JUST HAVE A FAIR, OPEN VOTE ON THE HOUSE OF REPRESENTATIVES? WE'LL HAVE A FAIR, QUICK VOTE ON THE SENATE OF

THE UNITED STATES BUT THERE WAS NO QUESTION THAT THERE WAS THE ABUSE OF THE RULES AND THEY PLAYED FAST AND LOOSE WITH THE RULES. THEY HAVE IN THE HOUSE OF REPRESENTATIVES ON THIS ISSUE THAT SUPPOSEDLY IS SUPPORTIVE AND SUPPOSEDLY BIPARTISAN AND RAMMED THROUGH BY THE REPUBLICAN LEADERSHIP.

STEPHANOPOULOS: SENATOR McCAIN, A NEW VOTE IN THE HOUSE?

MCCAIN: LOOK, I JUST HOPE THE REPUBLICANS HAD BETTER HOPE THE DEMOCRATS NEVER REGAIN THE MAJORITY.

**STEPHANOPOULOS:** LET ME GO BACK TO MEDICARE. WHETHER PRESCRIPTION DRUGS -- FOLLOW UP ON THAT A LITTLE BIT.

McCAIN: WELL, BECAUSE THERE IS CLEARLY A SITUATION WHERE THE MAJORITY RULE IS SUCH THAT IT'S VERY DIFFICULT IF NOT IMPOSSIBLE FOR THE MINORITY PARTY TO HAVE AN IMPACT ON THE PROCESS, IT'S DRAMATICALLY CHANGED SINCE I WAS THERE A NUMBER OF YEARS AGO. I WENT TO A BRIEFING ON THIS PRESCRIPTION DRUG PROGRAM. AFTER 20 MINUTES OF BRIEFING I KNEW IT WAS GOING TO BE VERY DIFFICULT TO EXPLAIN TO MY CONSTITUENTS IN SUN CITY, ARIZONA. WHY DIDN'T WE JUST GIVE LOW-INCOME SENIORS A CARD AND SAY, YOU NEED PRESCRIPTION DRUGS, GO BUY THEM? INSTEAD, WE HAVE DONE A LOT OF THINGS THAT TED AGREES WITH, SOME I AGREE WITH, BUT WE HAVE ALMOST FAILED TO ADDRESS THE FUNDAMENTAL PROBLEMS AND THAT IS THAT SENIORS ARE GOING TO BED TONIGHT AND CHOOSING BETWEEN EATING AND THE PRESCRIPTION DRUGS THEY NEED. IT'S -- THE ANSWER IS NO.YOU'RE GOING TO LOSE 7 MILLION THAT ARE ON MEDICAID TODAY THAT ARE NOW BEING COVERED BY THE STATES WITH THE MEDICAID PROGRAM THAT WILL LOSE IT WITH THIS BILL. YOU WILL HAVE MILLNS THAT CURRENTLY HAVE ADEQUATE RETIREMENT PROGRAMS THAT WILL BE DROPPED WITH THIS BILL AND YOU'LL SEE THE PREMIUMS AND AMOUNTS EXPENDED BY SENIORS. YOU'RE GOING TO FIND THEIR PREMIUMS WILL GO UP THROUGH THE ROOF AND YOU'LL BEGIN THE DISMANTLING OF MEDICARE. THAT IS A BAD BILL IS NOT BETTER THAN NO BILL AT ALL. WE SHOULD HAVE NO BILL AT ALL. GO BACK TO THE DRAWING BOARDS. WHAT'S THE RUSH? WHY NOT SPEND A FEW WEEKS AND TRY TO GET THIS RIGHT? WE PASSED CATASTROPHIC IN THE LATE '80s AND THE CHAIRMAN OF THE WAYS AND MEANS COMMITTEE GOT HIT OVER THE HEAD WITH A SIGN BY AN OLD LADY, AN ELDERLY CITIZEN, MAY I SAY, SENIOR CITIZEN, AND THEY REPEALED IT. IT WILL HAPPEN OVER TIME BECAUSE A LOT OF THIS -- THIS IS GOING ON NEXT ELECTION. IT'S GOING ON IN THE PRESIDENTIAL ELECTION. IT WILL GO ON -- REPRESENTATIVE, CONGRESSIONAL -- THIS IS -- NO MATTER WHAT THE VOTE IS, IF WE GET TO THE VOTE NEXT WEEK,

THIS IS JUST THE BEGINNING ON IT BECAUSE THIS IS TOO HIGH POWERED. IT WILL ADVERSELY AFFECT OUR SENIORS TOO MUCH AND IT WON'T -- THIS WON'T BE THE END. WE SHOULD HAVE REFORMED MEDICARE. THIS WAS OUR CHANCE TO REFORM AND IT'S NOT.

STEPHANOPOULOS: THERE WAS ANOTHER STEP FORWARD IN THE PRESIDENTIAL RACE THIS WEEK. THE REPUBLICAN NATIONAL COMMITTEE WILL START TO AIR TODAY IN IOWA THE FIRST AD OF THE PRESIDENTIAL CAMPAIGN. I WANT TO SHOW IT TO BOTH OF YOU AND GET YOU TO RESPOND.

CLIP: IT WOULD TAKE ONE VIAL, ONE CRATE SLIPPED INTO THIS COUNTRY TO BRING A DAY OF HORROR LIKE NONE WE HAVE EVER KNOWN. OUR WAR AGAINST TERROR IS A CONTEST OF WILL IN WHICH PERSEVERANCE IS POWER. SOME HAVE SAID WE MUST NOT ACT UNTIL THE THREAT IS IMMINENT. SINCE WHEN HAVE TERRORISTS AND TYRANTS ANNOUNCED THEIR INTENTIONS POLELY PUTTING US ON NOTICE BEFORE THEY STRIKE?

**STEPHANOPOULOS:** SENATOR McCAIN, DEMOCRATS HAVE SAID THAT GOES RIGHT TO THE LINE OF QUESTIONING THEIR PATRIOTISM. IN FACT, SENATOR DASCHLE SAID THE AD SHOULD BE PULLED.

McCAIN: I THINK THAT THE PRESIDENT IS PORTRAYING THE PRESIDENT'S LEADERSHIP THAT HE'S DISPLAYED SINCE SEPTEMBER 11th WHICH I SUPPORT. I DON'T -- I THINK IT'S A VERY LEGITIMATE STATEMENT TO BE MADE IN THE COMING PRESIDENTIAL ELECTION.

**STEPHANOPOULOS:** SENATOR KENNEDY?

KENNEDY: WELL, THIS IS AN ATTEMPT TO STIFLE THE DISSENT AND DISSENT IS A BASIC PART OF WHAT OUR WHOLE SOCIETY IS ABOUT AND PART OF THE VALUES ABOUT WHY WE FIGHT TO DEFEND IT OVERSEAS. WE ARE BASICALLY IN THIS ADD SAYING IF YOU'RE QUESTIONING THIS POLICY, YOU'RE AGAINST THE WAR ON TERRORISM, AND -- LET ME FINISH -- THAT'S WRONG. SECONDLY, WE HAVE THE STORIES GOING ON THIS MORNING WHERE THEY'RE USING THE FBI TO LOOK INTO DEMONSTRATIONS IN ORDER TO FIND OUT WHO IS DEMONSTRATING GETTING INTO THEIR BACKGROUND? THAT REMINDS ME OF THE OLD NIXON TIMES AND THE ENEMIES' LIST AND WE'VE SEEN THESE EXTRAORDINARY LENGTHS THAT THE LEADERSHIP HAS GONE TO VIRTUALLY ATTACK MEMBERS OF THE CONGRESS AND SENATE THAT QUESTION THE ADMINISTRATION'S POLICY IN IRAQ. AND THAT I THINK IS

A FUNDAMENTAL FLAW OF THIS ADMINISTRATION. IT IS ABSOLUTELY OUTRAGEOUS IN TERMS OF WHAT THIS COUNTRY IS ABOUT. HOW CAN WE BE FIGHTING ABROAD TO DEFEND OUR FREEDOMS AND DIMINISHING THOSE AT HOME?

STEPHANOPOULOS: SENATOR McCAIN, YOU'RE SMILING.

MCCAIN: LOOK, I MUST HAVE SEEN A DIFFERENT COMMERCIAL. THE FACT IS THE PRESIDENT OF THE UNITED STATES IS GOING TO RUN FOR RE-ELECTION TO A LARGE DEGREE ON HIS RECORD OF TRYING TO SECURE AMERICA FROM THE THREAT OF TERRORISM. I THINK THAT'S A VERY LEGITIMATE REASON FOR HIM TO DO SO AND I DON'T SEE THAT ANY MORE OR ANY LESS.